

**BEFORE THE TENNESSEE STATE BOARD OF EQUALIZATION**

IN RE:       Loews Nashville Hotel Corp.                     )  
              Map 092-16-0, Parcel 430.00                 ) Davidson County  
              Commercial Property                         )  
              Tax Years 2005 & 2006                     )

## INITIAL DECISION AND ORDER

## Statement of the Case

The subject property is presently valued as follows:

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$7,579,500	\$43,608,400	\$51,187,900	\$20,475,160

An appeal has been filed on behalf of the property owner with the State Board of Equalization. The undersigned administrative judge conducted a hearing in this matter on January 25, 2007 in Nashville, Tennessee. The taxpayer was represented by registered agent L. Stephen Nelson. The assessor of property was represented by staff appraiser Kenny Vinson.

## FINDINGS OF FACT AND CONCLUSIONS OF LAW

Subject property consists of the Vanderbilt Plaza Hotel and Office located at 2100 West End Avenue in Nashville, Tennessee.

The taxpayer contended that subject property should be valued at \$45,795,281. In support of this position, the taxpayer introduced separate income approaches for the hotel and office building which Mr. Nelson asserted support value indications of \$30,175,851 and \$15,619,429 respectively.

The assessor contended that subject property should be valued at \$51,187,900. In support of this position, the assessor also introduced separate income approaches to value the hotel and office building. Mr. Vinson maintained that those income approaches support values of \$35,744,400 and \$18,964,900 for the hotel and office building respectively.

The basis of valuation as stated in Tennessee Code Annotated Section 67-5-601(a) is that "[t]he value of all property shall be ascertained from the evidence of its sound, intrinsic and immediate value, for purposes of sale between a willing seller and a willing buyer without consideration of speculative values . . ."

After having reviewed all the evidence in the case, the administrative judge finds that the subject property should remain valued at \$51,187,900 based upon the presumption of correctness attaching to the decision of the Metropolitan Board of Equalization.<sup>1</sup>

<sup>1</sup> Subject property was appealed to the local board of equalization for tax year 2005. The taxpayer was allowed to file a direct appeal with the State Board of Equalization for tax year 2006 because the two tax years were consolidated for hearing.



Since the taxpayer is appealing from the determination of the Davidson County Board of Equalization, the burden of proof is on the taxpayer. See State Board of Equalization Rule 0600-1-.11(1) and *Big Fork Mining Company v. Tennessee Water Quality Control Board*, 620 S.W.2d 515 (Tenn. App. 1981).

The administrative judge finds that the primary difference between the parties' income approaches concerned the capitalization rates selected for both the hotel and office building. Respectfully, the administrative judge finds that the taxpayer introduced insufficient evidence to substantiate either the 11.88% loaded rate assumed for the office building or the 13.83% loaded rate proposed for the hotel. Absent additional proof on this issue, the administrative judge has no choice except to affirm the current appraisal of subject property.

#### ORDER

It is therefore ORDERED that the following value and assessment be adopted for tax years 2005 and 2006:


<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$7,579,500	\$43,608,400	\$51,187,900	\$20,475,160

Pursuant to the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301—325, Tenn. Code Ann. § 67-5-1501, and the Rules of Contested Case Procedure of the State Board of Equalization, the parties are advised of the following remedies:

1. A party may appeal this decision and order to the Assessment Appeals Commission pursuant to Tenn. Code Ann. § 67-5-1501 and Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization. Tennessee Code Annotated § 67-5-1501(c) provides that an appeal **“must be filed within thirty (30) days from the date the initial decision is sent.”** Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization provides that the appeal be filed with the Executive Secretary of the State Board and that the appeal **“identify the allegedly erroneous finding(s) of fact and/or conclusion(s) of law in the initial order”**; or
2. A party may petition for reconsideration of this decision and order pursuant to Tenn. Code Ann. § 4-5-317 within fifteen (15) days of the entry of the order. The petition for reconsideration must state the specific grounds upon which relief is requested. The filing of a petition for reconsideration is not a prerequisite for seeking administrative or judicial review; or
3. A party may petition for a stay of effectiveness of this decision and order pursuant to Tenn. Code Ann. § 4-5-316 within seven (7) days of the entry of the order.

This order does not become final until an official certificate is issued by the Assessment Appeals Commission. Official certificates are normally issued seventy-five (75) days after the entry of the initial decision and order if no party has appealed.

ENTERED this 14th day of February, 2007.

  
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MARK J. MINSKY  
ADMINISTRATIVE JUDGE  
TENNESSEE DEPARTMENT OF STATE  
ADMINISTRATIVE PROCEDURES DIVISION

c: Mr. L. Stephen Nelson  
Jo Ann North, Assessor of Property